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1. *La. R.S. § 30:1111*

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La. R.S. § 30:1111

Updated through Act 370 of the 2020 Regular Session, with the exception of Acts 155 and 328 and through Act 38 of the 2020 First Extraordinary Session, with the exception of Act 10. Revisions by LSLI are in progress.

LexisNexis® Louisiana Annotated Statutes > Louisiana Revised Statutes > Title 30. Minerals, oil, gas and environmental quality (Subts. 1 — 2) > Subtitle 1. Louisiana energy commission. [Repealed.] (§§ 30:681 — 30:2000.12) > Chapter 11-A. Louisiana Geologic Sequestration of Carbon Dioxide Act (§§ 30:1101 — 30:1111)

§ 30:1111. Site-specific trust accounts.

A.If a storage facility site is transferred from one party to another, not including a transfer to the state pursuant to R.S. 30:1109, a site-specific trust account may be established to separately account for each such site for the purpose of providing a source of funds for long-term maintenance, monitoring, and site closure or remediation of that storage facility site at such time in the future when closure or remediation of that storage facility site is required. For purposes of this Chapter, a transfer shall be deemed to have been made once there is a change in ownership of any kind at a storage facility site. Once established, the site-specific trust account shall survive until completion of site closure or remediation of the associated storage facility site.

B.In the event the parties to a transfer elect to establish a site-specific trust account under this Section, the commissioner shall require a storage facility long-term maintenance, monitoring, and site closure assessment to be made to determine the long-term maintenance, monitoring, and site closure requirements existing at the time of the transfer, or at the time the site-specific trust account is established. The storage facility long-term maintenance, monitoring, and site closure assessment shall be conducted by approved site assessment contractors appearing on a list approved by the commissioner or acceptable to the commissioner. The storage facility long-term maintenance, monitoring, and site closure assessment shall specifically detail the long-term maintenance, monitoring, and site closure needs and shall provide an estimate of the long-term maintenance, monitoring and site closure costs needed to maintain and restore the storage facility site based on the conditions existing at the time of transfer, or at the time the site-specific trust account is established.

C.The party or parties to the transfer shall, based upon the long-term maintenance and site restoration assessment, propose a funding schedule which will provide for the site-specific trust account. The funding schedule shall consider the uniqueness of each transfer, acquiring party, and storage facility site. Funding of the site-specific trust account shall include some contribution to the account at the time of transfer and at least quarterly payments to the account. Cash or bonds in a form and of a type acceptable to the commissioner, or any combination thereof, may also be considered for funding. The commissioner shall monitor each trust account to assure that it is being properly funded. The funds in each trust account shall remain the property of the commissioner.

D.The commissioner may approve the site-specific trust account for a storage facility site upon review of the assessment and the site-specific trust account that has been proposed for that storage facility site as provided in the regulations. Such approval shall not be unreasonably withheld.

E.When transfers of storage facility sites occur subsequent to the formation of site-specific trust accounts but prior to the end of their economic life, the commissioner and the acquiring party shall, in the manner provided for in this Section, again redetermine cost and agree upon a funding schedule. The balance of any site-specific trust account at the time of subsequent transfer shall remain with the storage facility site and shall be a factor in the redetermination.

F.Once the commissioner has approved the site-specific trust account, and the account is fully funded, the party transferring the storage facility site and all prior owners, operators, and working interest owners shall not thereafter be held liable by the state for any site closure costs or actions associated with the transferred storage facility site. The party acquiring the storage facility site shall thereafter be the responsible party for the purposes of this Part.

G.The failure of a transferring party to make a good faith disclosure of all material storage facility site conditions existing at the time of the transfer may render that party liable for the costs to address such undisclosed conditions to regulatory standards in excess of the balance of the site-specific trust fund.

H.Except as provided in Subsection E of this Section, the parties to a transfer may elect not to establish a site-specific trust account; however, in the absence of such account, the parties shall not be exempt from liability as set forth in Subsection F of this Section.

I.After site closure has been completed and approved by the commissioner, funds from a site-specific trust account shall be disbursed as follows:

(1)The balance of the account existing in the site-specific trust account will be remitted to the responsible party.

(2)Such account shall thereafter be closed.

J.The provisions of this Chapter regarding the implementation of site-specific trust accounts shall not be implemented until the rules and regulations pertaining to such trust accounts are finally adopted.

History

Acts 2009, No. 517, § 2, eff. Aug. 15, 2009.

Annotations

Research References & Practice Aids

Hierarchy Notes:

La. R.S. Title 30, Subtit. 1, Ch. 11-A

La. R.S. § 30:1111

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